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RECEIVED

DEC 16 2004

DIV. OF OIL, GAS & MINING

*entire package
in review drawer.*

December 13, 2004

Daron R. Haddock
Permit Supervisor, Minerals Regulatory Program
State of Utah
Department of Natural Resources
1594 West Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Your certified letter dated December 2, 2004.

Dear Mr. Haddock;

In response to your letter and also past communications, particularly the letter received from D. Wayne Hedburg dated April 12, 2004 with summary of meeting held March 29, 2004 attached, please find a copy of the "Baseline Vegetation and Soil Assessment At Red Dome Mine" prepared by WP Natural Resource Consulting, LLC prepared by Mindy Wheeler at your suggestion. Red Dome submits that the Baseline Vegetation and Soil Assessment meets the requirements of your request for "quantitative vegetation information" in your letters and supplements the "baseline soils information" previously submitted at the March 29 meeting.

Red Dome Inc. continues to request a variance from reseeding requirements as stated in the Amended Plan of Operations, and advocates that the "Baseline Vegetation and Soil Assessment" supports Red Dome's position that reseeding is an effort in futility on the Red Dome Mining Claims for the reasons given. It is simply a significant cost with no reasonable promise of benefit.

Also enclosed are copies of information available on the well addressed in the Amended Mining Plan and your letter. You are advised that the depth to groundwater in the well varies from time to time depending on time of year and climate conditions. Depth to ground water will vary from 20 feet to 60 feet. However, last year during part of the summer months the well was dry with no water available to be pumped.

Please consider this information supplements to the previously submitted Amended Plan of Operation

Your letter of December 2, 2004 also did not address the questions in my letter dated June 29, 2004 which ask;

“do you expect Red Dome to now hire civil engineers to provide the “hydrology information”, “air quality measurements”, “public protection plans”, “maps with detail surveyed cross sections”, and “reclamation plan”?”

Red Dome Inc. is in the process of obtaining additional information concerning these remaining request in your letter of December 2, 2004, without the added cost of consulting civil engineers to prepare “hydrology information”, air quality measurements”, public protection plans, and “maps with detail surveyed cross sections”, and “reclamation plan”, assuming that your department is not so demanding, and in an effort to satisfy your request.

I have discussed air quality at the mine site with Mr. Ron Reece of the Utah Division of Air Quality and Red Dome Inc. will request a variance from the division based on their regulations, the location of the mine and lack of contaminants produced by the operations.

Please be advised that the mine site and operation is regularly inspected by OSHA for mine safety which includes berms and signage and the mine site has been found to be in compliance with the regulations. If not, they advise us and steps are taken to be in compliance with their regulations. Otherwise, an inspection of the Amended Plan on file shows gates, fences and berms that are in place. If something else is necessary please advise me.

Cross section survey of the mining claims which incorporates approximately five hundred acres is absolutely cost prohibitive based on my conversations with a civil engineer. However it has been suggested that perhaps pictures taken from all areas of the mining claims documented by GPS locations and then plotted on a scaled map of the mining claims would provide the same or better information. If this is acceptable please advise me.

It is also pointed out that Red Dome Inc. is committed in the plan to perform backfilling and grading, including outlying areas not within the bond calculations. The Amended Mining Plan provided maps and methods to do so. If something else is needed, will you please address the provisions in the Amended Plan directly and comment on what else is needed in your view.

However our position still is that these requirements have been reasonably met under the circumstances and the history of the operations, and addressed in the Amended Plan of Operation previously submitted.

It has also been our position that the bond presently posted is more than sufficient to satisfy the reclamation requirements, and as stated to you several times, our goal is to keep the

plan within the parameters of the bond posted. The present submitted plan makes this clear. We have never agreed that the bond was insufficient, or that it was interim, nor that it is assumed that Red Dome would need to post a different bond in the future ten years.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Dexter L. Anderson". The signature is written in dark ink and is positioned above the typed name.

Dexter L. Anderson,
cc. Sherry K. Hirst